

VZCZCXYZ0000
PP RUEHWEB

DE RUEHBO #5175 1592216
ZNY CCCCC ZZH
P 082216Z JUN 06
FM AMEMBASSY BOGOTA
TO RUEHC/SECSTATE WASHDC PRIORITY 5791
INFO RHMFISS/DEPT OF ENERGY WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L BOGOTA 005175

SIPDIS

SIPDIS

E.O. 12958: DECL: 06/08/2016
TAGS: [EMIN](#) [ENRG](#) [EINV](#) [CO](#)
SUBJECT: GLENCORE SETTLES BUT DRUMMOND STILL ON STRIKE

REF: A. BOGOTA 4537
[1](#)B. BOGOTA 4686
[1](#)C. BOGOTA 5067

Classified By: DCM MILTON DRUCKER FOR REASONS 1 (B) AND (D)

[1](#)1. (C) Production has resumed at the La Jagua Ibirico mine after striking workers and the Glencore Corp. reached agreement on a new labor contract late on June 7. Ever Causado, Secretary General of the coal miners' union involved in the strike, told Laboff the settlement included an 8 percent wage hike, a USD 40,000 social investment program, and a "just cause" procedure for dismissing workers. The settlement means 5600 tons of U.S.-destined coal per day will return to production.

[1](#)2. (C) In contrast, Beatriz Duque, Director of Mines at the Ministry of Energy and Mines, told Econoff the Ministry was worried about the Drummond strike. She stated both sides were "polarized". The union appeared to be "radical and political" in its attitude toward Drummond, while the head of Drummond Colombia told the Ministry he will not negotiate under the kind of pressure he is receiving from the union. As a result of the apparent impasse, Duque said the Ministry of Social Protection plans to intercede and mediate the negotiations. She stated to Econoff that both sides need to get "serious" about negotiations and get the mine back in production.
WOOD